

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY,

Plaintiff

v.

Case No.: 14-cv-10266
Hon. Steven J. Murphy III

UNIVERSAL HEALTH GROUP, INC.
A/K/A MICHIGAN SPINE AND REHAB,
UHG MANAGEMENT, LLC,
PROFESSIONAL HEALTH SYSTEMS,
LLC A/K/A PROFESSIONAL MEDICAL
BILLING, LLC, SCOTT P. ZACK, D.C.;
DAVID M. KATZ, D.C.,
JOSEPH F. DESANTO, HORIZON
IMAGING, LLC, CLEAR IMAGING, LLC,
JEFF S. PIERCE, D.O.;
THOMAS D. CARUSO, D.O. and
KATHERINE H. KARO, D.O.,

Defendants.

Ross O. Silverman (IL 6226560)
Eric T. Gorner (6275017)
KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, IL 60661-3693
312.902.5200
Ross.silverman@kattenlaw.com
Eric.gornter@kattenlaw.com

Thomas Cranmer
Miller Canfield
840 W. Long Lake Road
Suite 200
Troy, MI 48098
248.267.3381
cranmer@millercanfield.com
Attorneys for Plaintiff

Gary R. Blumberg, PC
Gary R. Blumberg (P29820)
*Co-Attorneys for Defendants Jeff Pierce,
Thomas D. Caruso and Katherine H. Karo
only*
Dearborn, MI 48126
(313) 230-1121
grblumberg@gmail.com

Joelson Rosenberg PLC
Peter W. Joelson (P51468)
*Co-Attorneys for Defendants Jeff Pierce,
Thomas D. Caruso and Katherine H. Karo
only*
30665 Northwestern Hwy., Ste 200
Farmington Hills, MI 48334
(248) 626-9966 fax: (248) 855-9496
pjoelson@joelsonrosenberg.com

**DEFENDANT KATHERINE H. KARO'S ANSWER TO PLAINTIFF'S COMPLAINT;
AFFIRMATIVE DEFENSES; AND RELIANCE ON JURY DEMAND**

NOW COMES Defendant KATHERINE H. KARO, D.O., ("Karo") represented by the above stated counsel, and as her answer to Plaintiff's Complaint states as follows:

I. NATURE OF THE ACTION

1. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.
2. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.
3. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.
4. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed

such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

5. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

6. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

7. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

8. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

9. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

10. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

11. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiffs to their strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

12. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

13. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

14. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

15. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiffs to their strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

16. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

17. Defendant Karo denies the allegations contained in this paragraph as untrue as all medical services performed by Defendant Karo were reasonably necessary to the care, rehabilitation and recovery of the patients at issue. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

18. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

19. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

20. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as

untrue.

21. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

22. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue and Defendant Karo further denies the allegation that Plaintiff is entitled to any damages or costs.

23. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

24. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

25. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue and Defendant Karo further denies the allegation that Plaintiff is entitled to any damages or costs.

26. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue and Defendant Karo further denies the allegation that Plaintiff is entitled to any damages or costs.

27. Defendant Karo denies the allegations contained in this paragraph as untrue as all medical services performed by Defendant Karo were reasonably necessary to the care, rehabilitation and recovery of the patients at issue. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

28. To the extent that the allegations are directed at Defendant Karo, the same are denied as untrue. Defendant Karo is without sufficient knowledge and information regarding the remaining allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

29. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. Defendant Karo further denies any and all knowledge of a “scheme” to conspire against Plaintiff and states that all medical services performed by Defendant Karo were reasonably necessary to the care, rehabilitation and recovery of the patients at issue.

30. To the extent that the allegations are directed at Defendant Karo, the same are denied as untrue. Defendant Karo is without sufficient knowledge and information regarding the remaining allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

31. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue and Defendant Karo further denies the allegation that Plaintiff is entitled to any damages or costs.

32. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue and Defendant Karo further denies the allegation that Plaintiff is entitled to any damages or costs.

II. JURISDICTION AND VENUE

33. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

34. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

35. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

III. PARTIES

A. Plaintiff

36. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

B. Defendants

1. Universal

37. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

38. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

39. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

40. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

41. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

42. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

43. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

2. UHG Management, LLC

44. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

45. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

46. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs.

47. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

48. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

3. Professional Health Systems, LLC

49. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

50. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

51. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

52. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

53. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

54. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

4. Zack

55. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

56. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

57. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

58. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

59. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others

who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

5. Katz

60. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

61. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

62. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

6. Chuder

63. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

64. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

65. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

66. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

67. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

68. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

7. DeSanto

69. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

70. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs.

71. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

8. Horizon Imaging LLC

72. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

73. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

74. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

75. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

9. Clear Imaging LLC

76. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

77. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

78. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

79. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

10. Pierce

80. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

81. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

82. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

11. Caruso

83. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

84. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

85. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

11. Karo

86. Admitted that Defendant Karo resides in Michigan..

87. Admitted that Defendant Karo is an osteopathic physician licensed in Michigan.

88. Defendant Karo denies the allegations contained in this paragraph as untrue as all

medical services performed by Defendant Karo were reasonably necessary to the care, rehabilitation and recovery of the patients at issue. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

IV. ALLEGATIONS COMMON TO ALL COUNTS

A. First-Party Claims for Payment Under the No-Fault Act

89. Admitted.

90. As to Defendant Karo, such allegations are denied as untrue. Defendant Karo is without sufficient knowledge and information regarding the remaining allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

B. Third-Party Tort Claims For Non-Economic Loss Under the No-Fault Act

91. Defendant Karo neither admits nor denies the allegations contained herein for the reason that this is an improper rendition of what is actually covered under the Michigan No-Fault Act. Defendants rely on the act as set forth in MCLA 500.3101 et seq. and the policy of insurance.

92. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

93. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

C. Defendant's Fraudulent Scheme

1. Universal's Fraudulent Incorporation As A "Non-Profit" Corporation

94. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

95. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

96. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges Defendant Karo

committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

97. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue.

98. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

99. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

100. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

101. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

102. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

103. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

**2. The Defendants' Concealment of DeSanto's Participation In
The Universal Network**

104. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

105. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

106. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

107. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

108. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

3. The Defendants' Participation With Personal Injury Attorneys Through

“Runner” Networks

109. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

110. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

111. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

112. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others

who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

113. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

114. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

115. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

116. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

117. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

118. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

119. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

120. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

121. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

122. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

123. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

124. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

125. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

D. The Fraudulent Initial Examination and Diagnoses

126. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

127. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as

untrue.

1. Legitimate Treatment of Patients with Strains and Sprains Generally

128. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

129. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

130. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

131. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

132. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

133. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

134. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

135. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

136. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable or rendered medical services which were reasonably necessary

to the care, rehabilitation and recovery of the patients at issue, the same is denied as untrue.

137. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

138. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

139. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

140. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

141. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

2. The Fraudulent Initial Examinations and Diagnoses

142. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

143. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

144. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

145. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

146. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

147. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

148. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

3. Chudler's Fraudulent Examinations, Diagnoses and Treatment Plans

149. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others

who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

150. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

151. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

152. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

153. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

154. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

155. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

4. The Fraudulent Chiropractic and Physical Therapy Treatments

a) The Fraudulent Chiropractic Treatments

156. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

157. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

158. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

159. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

160. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

161. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

162. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

163. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

164. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

165. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

166. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

167. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

168. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

169. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

b) The Fraudulent Physical Therapy Treatments

170. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

171. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

172. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

173. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

174. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

175. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

176. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

177. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

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179. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

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5. The Fraudulent MRI Self-Referrals to Horizon and Clear

184. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

185. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

186. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

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187. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

a) The Relationship Among Universal, Horizon, and Clear

188. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

189. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

190. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

191. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

192. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

193. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

194. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

195. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

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196. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as

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198. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

b) The Fraudulent Self-Referrals to Horizon, and Clear

199. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

200. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

201. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

202. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

203. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

204. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

c) Horizon, and Clear's False MRI Interpretations

205. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

206. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

207. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

208. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards applicable, the same is denied as untrue.

209. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

210. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

211. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

212. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as

untrue.

213. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

214. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

215. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

216. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others

who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

217. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

E. The EDX Providers' Fraudulent EDX Tests and Reports

218. As to Defendant Karo, denied as untrue as all medical services performed by Defendant Karo were reasonably necessary to the care, rehabilitation and recovery of the patients at issue. To the extent that this paragraph alleges Defendant Karo committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme, the same is categorically denied as untrue

219. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue..

1. Nerve Conduction Velocity Tests ("NCV Tests")

220. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and

leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

221. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

2. Needle Electromyography Test ("EMG Tests")

222. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

223. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

3. The AANEM Recommended Policy

224. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo

violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

225. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

226. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

227. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo violated any standards or failed to perform reasonably necessary medical services, the same is denied as untrue.

4. The Fraudulent NCV Tests and Bills

a) Fraudulent Testing and Billing Practices

228. As to Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be "in furtherance" of any alleged fraudulent scheme.

229. As for Defendant Karo, denied as untrue.

230. As to Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

231. As for Defendant Karo, denied as untrue.

232. As for Defendant Karo, denied as untrue.

b) Physiologically Impossible Or Highly Improbable Results

233. As to Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

234. As to Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

235. Defendant Karo denies the allegations contained in this paragraph as untrue.

5. The Fraudulent Needle EMG Tests

236. Defendant Karo denies the allegations contained in this paragraph as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

237. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

238. Defendant Karo denies the allegations contained in this paragraph as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in

medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

239. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

240. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

a) EMG Tests Are Not Individually Tailored to Patients

241. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

242. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

b) Medically Unnecessary Numbers of Limbs and Muscles Tested

243. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

244. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

c) Extremely Improbable or Impossible Patterns of Abnormalities

245. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

246. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

247. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

248. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

249. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

250. As to Defendant Karo, denied as untrue.

251. As to Defendant Karo, denied as untrue.

252. As for Defendant Karo, denied as untrue. Defendant Karo further denies as categorically untrue that she committed or participated in medical fraud or a concert of actions, or any other wrongful act alleged to be “in furtherance” of any alleged fraudulent scheme.

F. State Farm’s Justifiable Reliance

253. As to Defendant Karo, denied as untrue.

254. As to Defendant Karo, denied as untrue.

255. As to Defendant Karo, denied as untrue.

256. As to Defendant Karo, denied as untrue.

V. CAUSES OF ACTION

**FIRST CAUSE OF ACTION
DECLARATORY JUDGMENT UNDER 28 U.S.C. §2201
(Universal, Horizon and Clear)**

257. Defendant Karo hereby incorporates by reference his answers to the above paragraphs as if set forth herein word for word.

258. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs.

259. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

260. Defendant Karo is without sufficient knowledge and information regarding the allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

261. Defendant Karo is without sufficient knowledge and information regarding the

allegations contained in this paragraph and therefore neither admits nor denies the same and leaves Plaintiff to its strict proofs. To the extent that this paragraph alleges that Defendant Karo committed or participated in, or *benefitted from*, medical fraud or a concert of actions with others who committed such acts, or any other alleged wrongdoing, the same is categorically denied as untrue.

WHEREFORE, the Defendant Karo respectfully requests this Honorable Court dismiss this action with prejudice and award whatever costs and attorney fees the Court deems just.

**SECOND CAUSE OF ACTION
COMMON LAW FRAUD
(All Defendants)**

262. Defendant Karo hereby incorporates by reference his answers to the above paragraphs as if set forth herein word for word.

263. As to Defendant Karo, denied as untrue.

264. As to Defendant Karo, denied as untrue.

265. As to Defendant Karo, denied as untrue.

266. As to Defendant Karo, denied as untrue.

267. As to Defendant Karo, denied as untrue.

WHEREFORE, the Defendant Karo respectfully requests this Honorable Court dismiss this action with prejudice and award whatever costs and attorney fees the Court deems just.

**THIRD CAUSE OF ACTION
UNJUST ENRICHMENT
(All Defendants)**

268. Defendant Karo hereby incorporates by reference his answers to the above paragraphs as if set forth herein word for word.

269. As to Defendant Karo, denied as untrue.

270. As to Defendant Karo, denied as untrue.

271. As to Defendant Karo, denied as untrue

272. As to Defendant Karo, denied as untrue.

WHEREFORE, the Defendant Karo respectfully requests this Honorable Court dismiss this action with prejudice and award whatever costs and attorney fees the Court deems just.

**FOURTH CAUSE OF ACTION
VIOLATION OF 18 U.S.C. §1962(c)
(Against All Defendants)**

273. Defendant Karo hereby incorporates by reference his answers to the above paragraphs as if set forth herein word for word.

274. As to Defendant Karo, denied as untrue.

275. As to Defendant Karo, denied as untrue.

276. As to Defendant Karo, denied as untrue.

277. As to Defendant Karo, denied as untrue.

278. As to Defendant Karo, denied as untrue.

279. As to Defendant Karo, denied as untrue.

280. As to Defendant Karo, denied as untrue.

WHEREFORE, the Defendant Karo respectfully requests this Honorable Court dismiss this action with prejudice and award whatever costs and attorney fees the Court deems just.

**FIFTH CAUSE OF ACTION
VIOLATION OF 18 U.S.C. §1962(d)
(Against All Defendants)**

281. Defendant Karo hereby incorporates by reference his answers to the above paragraphs as if set forth herein word for word.

282. As to Defendant Karo, denied as untrue.

283. As to Defendant Karo, denied as untrue.

284. As to Defendant Karo, denied as untrue.

285. As to Defendant Karo, denied as untrue.

WHEREFORE, the Defendant Karo respectfully requests this Honorable Court dismiss this action with prejudice and award whatever costs and attorney fees the Court deems just.

Respectfully submitted,

By: /s/ Gary R. Blumberg
Gary R. Blumberg, PC
Gary R. Blumberg (P29820)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
15011 Michigan Avenue
Dearborn, MI 48126
(313) 230-1121
grblumberg@gmail.com

Dated: March 25, 2014

By: /s/ Peter W. Joelson
Joelson Rosenberg PLC
Peter W. Joelson (P51468)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
30665 Northwestern Hwy., Ste 200
Farmington Hills, MI 48334
(248) 626-9966 fax: (248) 855-9496
pjoelson@joelsonrosenberg.com

Dated: March 25, 2014

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY,

Plaintiff

v.

Case No.: 14-cv-10266
Hon. Steven J. Murphy III

UNIVERSAL HEALTH GROUP, INC.
A/K/A MICHIGAN SPINE AND REHAB,
UHG MANAGEMENT, LLC,
PROFESSIONAL HEALTH SYSTEMS,
LLC A/K/A PROFESSIONAL MEDICAL
BILLING, LLC, SCOTT P. ZACK, D.C.;
DAVID M. KATZ, D.C.,
JOSEPH F. DESANTO, HORIZON
IMAGING, LLC, CLEAR IMAGING, LLC,
JEFF S. PIERCE, D.O.;
THOMAS D. CARUSO, D.O. and
KATHERINE H. KARO, D.O.,

Defendants.

DEFENDANT KATHERINE H. KARO, D.O.'S AFFIRMATIVE DEFENSES

NOW COMES Defendant KATHERINE H. KARO, D.O., ("Karo") represented by the
above stated counsel, and as his Affirmative Defenses to Plaintiff's Complaint states as follows:

1. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason
that Plaintiff as failed to sufficiently plead a cause of action in accordance with state and/or
federal rules,

2. Plaintiff's Complaint is subject to dismissal, in whole or in part, based upon the
applicable statute of limitations, laches, statute of repose and/or the "one year back" statute of
limitations set forth in MCL 500.3145(1).

3. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason that Plaintiff lacks standing to bring a claim for insurance fraud pursuant to the clear and ambiguous language of MCL 500.4501, et seq.

4. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason that Plaintiff's Complaint fails to state a claim upon which relief can be granted.

5. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason that any count alleging fraud must be pleaded with particularity pursuant to MCR 2.112(B)(1), FRCP 8 and 9(a) and Plaintiff has failed to specifically identify the time and place of each misrepresentation, describe the misleading statements or acts, and describe the benefits the defendants wrongfully obtained as a result of the misrepresentation.

6. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason that any count alleging fraud requires Plaintiff to be able to show "reasonable reliance" under the standard established in *Cooper v. Auto Club Insurance Assoc.*, 481 Mich. 399; 751 N.W.2d 443 (2008) and *Johnson v Wausau Ins Co.*, 283 Mich App 636, 769 NW2d 755 (2009) and Plaintiff will be incapable of showing any of the elements required to support a fraud claim, including but not limited to, that it "reasonably relied" upon any allegedly fraudulent statement in the no-fault insurance setting based upon the *Cooper* and *Johnson* cases.

7. Plaintiff's Complaint is subject to dismissal, in whole or in part, pursuant to MCL 500.3175 for a multitude of reasons, including but not limited to the fact that the statute of limitations has expired and Plaintiff lacks standing to assert any claim for the recovery of benefits paid for the benefit of an individual assigned to State Farm for coverage and for which State Farm has received reimbursement from the Assigned Claims Facility.

8. Plaintiff's Complaint is subject to dismissal, in whole or in part, for the reason that Plaintiff's Complaint contains claims which are actually medical negligence claims and Plaintiff lacks standing to pursue such claims; has failed to comply with any applicable pre-suit notice requirements; has failed to attach required affidavits from qualified health care practitioners and otherwise failed to properly plead or preserve any cause of action which depends upon Defendant Karo's failure adhere to applicable professional standards;

9. Plaintiff's Complaint is subject to dismissal, in whole or in part, based upon the doctrine of unclean hands, promissory estoppel, laches, equitable estoppel, comparative negligence, immunity, assumption of the risk, compromise and settlement, release, election of remedies, failure to join claims or defenses in other litigation, failure to mitigate its damages, the fact that Plaintiff is not the real party in interest, and waiver.

10. Plaintiff's Complaint is subject to dismissal, in whole or in part, under the doctrines of res judicata and/or collateral estoppel.

11. Plaintiff's Complaint is subject to dismissal, in whole or in part, by the Economic Loss Rule/Doctrine.

12. Plaintiff's Complaint is subject to dismissal, in whole or in part, by doctrine of preemption and/or reverse preemption.

13. Plaintiff's Complaint is subject to dismissal, in whole or in part, pursuant to the Doctrine of Election of Remedies.

14. Plaintiff's Complaint is subject to dismissal, in whole or in part, based upon prior judgment, release, settlement, arbitration or other resolution of claims between Plaintiff and individual claimants for which Plaintiff is now seeking reimbursement.

15. Plaintiff's claims may be barred by their own prior breaches of contract, failure to timely exercise due care, violations of statutory obligations, violations of their duty of good faith and fair dealing, interferences and by their unclean hands and inequitable conduct.

16. Plaintiff's lack standing to assert some or all of the allegations made against Defendant Karo regarding illegality and/or the unlawful providing of services. (*Allstate Ins Co v Global Medical Billing, Inc, et al*, US Dist Court, ED Mich, Southern Division, Case No. 09-14975, Hon. Lawrence P. Zatkoff).

17. Plaintiff has failed to plead a proper enterprise as defined by 18 U.S.C. § 1961(4).

18. Plaintiff has failed to mitigate their damages.

19. That, assuming any of Plaintiff's allegations are true, which is denied in its entirety, that Plaintiff has failed to mitigate its damages by unreasonably continuing to issue payments to the Defendant Karo when Plaintiff reasonably knew or should have known that such payments were not warranted and that, pursuant to the holdings on *Cooper v. ACIA*, 481 Mich. 399, 751 N.W.2d 443 (2008).

20. Plaintiff's claims against Defendant Karo are improperly joined with other Defendants.

21. Plaintiff's claims are barred pursuant to MCL 500.3112.

22. To the extent the Plaintiff's claims result from the actions or inactions of other parties or defendant(s), Defendant Karo has no liability for such actions/inactions.

23. Defendant Karo is entitled to attorney fees per MCL 500.3148. Defendant Karo reserves all defenses set forth in MCL 500.3101, et seq.

24. Plaintiff's Complaint fails to state the claim for violation of 18 U.S.C. Sec. 1962.

25. Defendant Karo did not make any misrepresentations nor commit fraud.

26. Defendant Karo did not pursue any amount greater than that which Plaintiff determined was reasonable and customary for the services provided to the subject patients.

27. Defendant Karo reserves the right to alter, amend or supplement these Affirmative Defenses, and to bring any counterclaims, cross claims and/or third party claims, during or upon the completion of discovery, said reservations being necessary because the allegations in the Complaint do not offer sufficient specifics to notify said Defendant Karo of the nature of the claims being made against her.

WHEREFORE, Defendant KATHERINE H. KARO, D.O., respectfully requests this Honorable Court dismiss this action with prejudice, and award whatever costs and attorney fees the Court deems just.

Respectfully submitted,

By: /s/ Gary R. Blumberg
Gary R. Blumberg, PC
Gary R. Blumberg (P29820)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
15011 Michigan Avenue
Dearborn, MI 48126
(313) 230-1121
grblumberg@gmail.com

Dated: March 25, 2014

By: /s/ Peter W. Joelson
Joelson Rosenberg PLC
Peter W. Joelson (P51468)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
30665 Northwestern Hwy., Ste 200
Farmington Hills, MI 48334
(248) 626-9966 fax: (248) 855-9496
pjoelson@joelsonrosenberg.com

Dated: March 25, 2014

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY,

Plaintiff

v.

Case No.: 14-cv-10266
Hon. Steven J. Murphy III
Magistrate

UNIVERSAL HEALTH GROUP, INC.
A/K/A MICHIGAN SPINE AND REHAB,
UHG MANAGEMENT, LLC,
PROFESSIONAL HEALTH SYSTEMS,
LLC A/K/A PROFESSIONAL MEDICAL
BILLING, LLC, SCOTT P. ZACK, D.C.;
DAVID M. KATZ, D.C.,
JOSEPH F. DESANTO, HORIZON
IMAGING, LLC, CLEAR IMAGING, LLC,
JEFF S. PIERCE, D.O.;
THOMAS D. CARUSO, D.O. and
KATHERINE H. KARO, D.O.,

Defendants.

RELIANCE ON JURY DEMAND

NOW COMES Defendant, KATHERINE H. KARO, D.O., represented by the above
stated counsel, and hereby relies on the Jury Demand filed in the above entitled matter.

Respectfully submitted,

By: /s/ Gary R. Blumberg
Gary R. Blumberg, PC
Gary R. Blumberg (P29820)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
15011 Michigan Avenue
Dearborn, MI 48126
(313) 230-1121
grblumberg@gmail.com

Dated: March 25, 2014

By: /s/ Peter W. Joelson
Joelson Rosenberg PLC
Peter W. Joelson (P51468)
*Attorneys for Defendants Jeff Pierce, Thomas
D. Caruso and Katherine H. Karo*
30665 Northwestern Hwy., Ste 200
Farmington Hills, MI 48334
(248) 626-9966 fax: (248) 855-9496
pjoelson@joelsonrosenberg.com

Dated: March 25, 2014

VERIFICATION

Dr. Katherine H. Karo, D.O., being first duly sworn, deposes and states that she is Defendant named above, she has personal knowledge of the facts herein and is competent to so testify, that she has read the foregoing Answer to Complaint, and the factual allegations therein are true to the best of her knowledge, information and belief.

Katherine H. Karo, DO
Dr. Katherine H. Karo, D.O.

Subscribed and sworn to before me, a Notary Public on this 25th day of March, 2014.

Susan C. Brohman

Notary Public Susan C. Brohman
My commission expires: 08/09/2017

SUSAN C. BROHMAN
Notary Public, State of Michigan
County of Oakland
My Commission Expires 08-09-2017
Acting in the County of Oakland

CERTIFICATE OF SERVICE

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NOW COMES the undersigned and hereby states that on March ~~23~~, 2014, the undersigned served this Answer to Complaint, Affirmative Defenses, Reliance Upon Jury Demand, Verification and this Certificate of Service were e-filed and e-served using the ECF system which will send notification of such filing to all counsel.

/s/ Gary R. Blumberg